GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

PD Accounts – Rationalisation –Constitution of Committee – Orders - Issued

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FINANCE (BUDGET.I) DEPARTMENT

G.O.RT.No. 2962 Dated: 28-12-2015

ORDER:

The system of maintaining P.D. Accounts is in vogue for Local bodies, Institutions receiving Grants in Aid, Corporations, State undertakings, Agencies set up under the provisions of State /Central Acts, Universities, Societies and other specialized bodies constituted by the State for carrying out welfare/ Developmental Activities. etc.

2. The purpose of allowing P.D. Accounts was to ensure greater autonomy and flexibility to the administrators for efficient and prompt deployment of funds to achieve the targets for which the funds have been specially earmarked without getting it lapsed to avoid keeping the amounts outside the Government Account i.e. parking the funds in Commercial banks.

3. Government have reviews the PD Accounts in the combined State and issued orders for apportionment of PD accounts balances in respect of successor States of Andhra Pradesh and Telangana in G.O. Ms.No.125, Finance (DCM.II) Department, dated 24.05.2014

4. It is observed that several PD Accounts are not being used for the last several years and it is becoming difficult to allot a fresh PD account numbers for the arising needs due to fill up of maximum possible numbers under a sub Head. The PD Account Administrators are constantly pursuing and bringing pressure on Finance Department for transfer of funds from the exchequer to PD Accounts and parking funds in their bank accounts. This practice is disturbing the fiscal management and cash management of the State Government. Though unspent funds available with the PD Account Administrators, State Government forcibly obtaining loans and market borrowings with higher rate of interest. This can be avoidable by rationalising the existing PD accounts and monitoring vigilantly the drawal of funds by the PD Account Administrators.

5. In view of the above, a detailed study of existing PD Accounts Administration and rationalisation of PD Accounts is essentially required for managing the cash flow of funds and fiscal management.

6. Government after careful consideration of the matter hereby constitute a committee with the following members to study the above aspects and to suggest a mechanism and measures in this regard.

1. Sri Y. Ramakrishna, Addl. Secy., Finance Dept.… Chairman
2. Director of Treasuries and Accounts, Hyderabad…Member
3. Director (IT), Finance Department. … Member
4. Asst. Secretary (Budget), Finance Department. … Member
5. Asst. Secretary (CDM), Finance Department … Member Convenor.

7. The committeeshall examine the following issues and submit its draft report by 29th February, 2016.

   i. A detailed study of existing PD Accounts Administration and rationalisation of PD Accounts (Necessity of continuing PD Accounts for each case, Deletion of non-operative PD Accounts and merging of accounts with similar nature).
   ii. Calculation and maintenance of Interest in respect of Interest bearing PD Accounts.
   iii. Management of PD Accounts in local bodies (GP, MP, ZP/ Municipalities / Corporations / Autonomous Bodies).
   iv. Financial viability of keeping money from Bank accounts to PD Accounts

8. The Orders issued above shall come into force with immediate effect.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDRHA PRADESH)

Dr. P.V. RAMESH
PRINCIPAL FINANCE SECRETARY TO GOVERNMENT

To

Sri Y. Ramakrishna, Addl. Secy., Finance Department.
The Director of Treasuries and Accounts, Hyderabad
The Director (IT), Finance Department.
The Asst. Secretary (Budget), Finance Department.
The Asst. Secretary (CDM), Finance Department.

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PS to PFS / Secy. (R&E) / Secy. (B&IF) / Spl. Secy.

// FORWARDED :: BY ORDER //

SECTION OFFICER